



*A Nonprofit Housing and
Community Development Organization*



Laura Peters
Department of Water Resources
Laura.Peters@water.ca.gov

September 4, 2014

Re: Comments on Draft PSP for 2014 Water-Energy Grant Program

Dear Laura:

We are pleased to submit our comments regarding the upcoming DWR Water-Energy Grants program. We have reviewed the draft PSP and guidelines, and it appears that the new program presents an exciting opportunity for small water and wastewater systems in rural areas.

Self-Help Enterprises (SHE) is a non-profit affordable housing and community development organization that works to build and sustain healthy homes and communities. Part of SHE's mission involves the improvement of drinking water and sewer infrastructure in impoverished rural communities around the Valley. This endeavor centers around working with community members and local utility boards to identify needs, develop improvement projects, and assist in accessing state, local, and federal funding to bring the projects to fruition. SHE acts as a liaison between local communities and a variety of government agencies.

One area in which SHE has particular experience is in developing funding proposals for water and wastewater projects with our partner communities. From that perspective, we are encouraged by the draft documents which DWR has released, and look forward to helping communities apply these funds. Historically, it has been difficult for small, disadvantaged water systems to implement water-saving and energy-conservation projects, because they can be capital-intensive and because funding assistance is rarely available for such improvements.

However, water-saving and energy-conservation projects are extremely important and beneficial to small water systems. Reducing water loss and consumption, and maximizing energy efficiency are two key ways in which small systems can achieve big cost savings. With small, low-income customer bases and poor economies of scale, the governing boards of small rural water districts struggle to make ends meet. They rarely have the opportunity to make capital investments of the type that can improve efficiency and lower their operating costs. This program will provide them with a chance to do so.

Despite the significance of these types of projects to small communities, it is an unfortunate reality that the actual energy and/or water savings often are rather small in comparison to what larger cities or

systems using energy-intensive imported water may be able to achieve. For this reason, we strongly encourage you to:

- Continue the recommended point bonus and preference for disadvantaged communities based upon Cal EnviroScreen rankings.
- Use a simple calculation for cost effectiveness that doesn't put small communities at a disadvantage. The "total savings divided by total project cost" equation presented at the PSP workshop seems simple on the surface, but systems using imported water may achieve an inherent advantage due to the high amount of energy use embedded in the imported water. Simply put, such projects can save more energy only because they use so much more. Lesser savings may be of greater utility to small, disadvantaged areas.

Self-Help Enterprises sincerely appreciates the opportunity to comment on the draft PSP. We look forward to working with you to implement beneficial projects under the new funding program.

Please feel free to contact Jessi Snyder of our staff at 559-802-1693 or jessis@selfhelpenterprises.org should you have any questions.

Thank you for your efforts to assist disadvantaged communities to improve their water and wastewater systems.

Sincerely,



Paul Boyer

Program Director-Community Development